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DIV. OF OIL, GAS & MINING

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Attorneys for the Debtors

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION

In re: KOREA TECHNOLOGY INDUSTRY AMERICA, INC. <u>et al.</u> , Debtors.	Bankruptcy Case No. 11-32259 Jointly Administered Chapter 11 Honorable R. Kimball Mosier [FILED ELECTRONICALLY]
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NOTICE OF (1) AUCTION OF THE DEBTORS' ASSETS; (2) AUCTION PROCEDURES; (3) SALE HEARING; AND (4) RELATED RELIEF AND DATES

TO ALL CREDITORS, POTENTIAL BIDDERS, AND OTHER PARTIES IN INTEREST PLEASE TAKE NOTICE:

1. Auction Motion. On January 10, 2013, Korea Technology Industry America, Inc. ("KTIA"), Uintah Basin Resources, LLC ("UBR"), and Crown Asphalt Ridge, L.L.C. ("CAR") (together, the "Debtors") filed their motion (the "Auction Motion") with the United States Bankruptcy Court for the District of Utah (the "Bankruptcy Court") for the entry of: (a) an order that (i) approves the auction ("Auction") of substantially all of the assets of the Debtors (the "Assets"), which are described in Exhibit B hereto, and the assumption and assignment of certain executory contracts and unexpired leases and approves the form and manner of notice of the assumption and assignment, including cure amounts, of executory contracts and unexpired leases (the "Assumption and Assignment Notice"), which is being served separately; (ii) approves procedures related to the Auction, including the form and manner of notice of the Auction (the "Auction Procedures"), which are set forth in Exhibit A hereto; (iii) establishes the date for the Auction; (iv) establishes the date for hearing (the "Sale Hearing") to confirm the sale of the

(i) counsel for the Debtors: Steven J. McCardell and Kenneth L. Cannon II, Durham Jones & Pinegar, 111 E. Broadway, 9th Floor, Salt Lake City, Utah 84111, Telephone: (801) 415.3000, Facsimile: (801) 415.3500, email: smccardell@djplaw.com kcannon@djplaw.com;

(ii) counsel for the United States Trustee: Laurie Cayton, Esq., Office of the United States Trustee, Ken Garff Bldg., 405 South Main Street, Suite 300, Salt Lake City, UT 84111, Telephone: (801) 524.3031, Facsimile: (801) 524.5628, email laurie.cayton@usdoj.gov; and

(iii) counsel for certain secured parties as follows: (a) counsel for Raven Mining Company: Joseph M.R. Covey, Parr Brown Gee and Loveless, 185 South State Street, Suite 800, Salt Lake City, Utah 84111, Telephone: (801) 532.7840, Facsimile: (801) 532-7750, email jcovey@parrbrown.com; (b) counsel for Western Energy Partners, LLC and Tar Sands Holdings, LLC, Robert S. Prince, Kirton & McConkie, 1800 Eagle Gate Tower, 60 East South Temple, Salt Lake City, Utah 84111, Telephone: (801) 328-3600, Facsimile: (801) 321-4893, email rprince@kmclaw.com; and David E. Leta, Snell & Wilmer, 15 West South Temple, # 1200, Salt Lake City, Utah 84101, Telephone: (801) 257-1900, Facsimile: (801) 257-1800, email dleta@swlaw.com; (c) counsel for Elgin Services Company, Inc., and Tar Sands Holdings, LLC, Darwin H. Bingham, Scalley Reading Bates Hansen & Rasmussen, P.C., 15 West South Temple, Suite 600, Salt Lake City, Utah 84101, Telephone: (801) 531-7870, Facsimile: (801) 326-4669, email dbingham@scalleyreading.net.

7. Reference to and Copies of Sale Documents and Dates Set forth in this Notice. This Notice of Auction and Sale Hearing is subject to the fuller terms and conditions of the Auction Motion and the Auction Procedures and Notice Order, which shall control in the event of any conflict, and the Debtors encourage parties in interest to review such documents in their entirety. Copies of the Auction Motion and the Auction Procedures and Notice Order may be inspected in the offices of the Clerk of the Bankruptcy Court during normal business hours or downloaded from the Bankruptcy Court's web site at www.utb.uscourts.gov (the "Electronic Court Docket"). Please note that prior registration with the PACER service center and payment of a fee may be required to access such documents. Parties in interest may sign up for a PACER account by visiting the PACER website at <http://pacer.psc.uscourts.gov> or by calling (800) 676-6856. Requests for copies of the Motion and further information regarding the foregoing may also be made to the undersigned counsel.

DATES SET FORTH IN THIS NOTICE ARE SUBJECT TO CHANGE BY ORDER OF THE BANKRUPTCY COURT AND FURTHER NOTICE OF SUCH CHANGES MAY NOT BE PROVIDED EXCEPT THROUGH ANNOUNCEMENTS IN OPEN COURT AND/OR THE FILING OF NOTICES. PARTIES IN INTEREST ARE ENCOURAGED TO MONITOR THE ELECTRONIC COURT DOCKET FOR FURTHER UPDATES.

EXHIBIT A TO AUCTION NOTICE
AUCTION PROCEDURES

Designs, and Business Records related thereto and to the Debtors; the Permits and Other Operational Authorizations (to the extent assignable under applicable state and federal law); Licenses; Operating contracts and agreements with third parties; and the SITLA Lease and the UBR-CAR Lease, all as further described in Exhibit C to the Auction Notice (the Debtors earlier assumed these leases and contracts and will assign them to the winning bidder).

Lot 2 – the Stockpile of extracted tar sands near the mine site and Processing Facility on South A Tract, which the Debtor estimates consists of approximately 30,000 to 35,000 tons of below-average-grade tar sands.

Lot 3 – Mineral Rights, if any, of the Debtors to the Section 32 portion of South A Tract.

Lot 4 – KTIA’s equity interest in KD Oil, Inc.

Lot 5 – KTIA’s equity ownership of Utah Hydrocarbon, Inc.

Lot 6 – UBR’s equity ownership of Crown Asphalt Ridge, L.L.C.

Lot 7 – all other assets not described above, excluding causes of action arising under Chapter 5 of the Bankruptcy Code.

IV. Minimum Bids for Lots

The minimum bids for the Lots, and the order in which the Lots will be offered for sale, are as follows:

Lot 1 – Operating Assets - \$38,100,000.00, subject to waiver by Western Energy Partners, LLC (“Western”), Elgin Services Company, Inc. (Elgin”), and Raven Mining Company, Inc. (“Raven”) at the Auction

Lot 2 – Stockpile – no minimum

Lot 3 – Mineral Rights under Section 32 – no minimum

Lot 4 – KTIA’s Equity Interest in KD Oil, Inc. – no minimum

Lot 5 – KTIA’s Equity Ownership of Utah Hydrocarbon, Inc. – no minimum

Lot 6 – UBR’s Equity Ownership of Crown Asphalt Ridge, L.L.C. – no minimum

Lot 7 – Miscellaneous Assets – no minimum

V. Deadline for Qualification to Make Cash Bids on Assets and for Notification by Secured Creditors to Participate in the Auction

The deadline for qualification to make cash bids on the Assets (“Cash Bidders”) and for secured creditors to notify the Debtors that they might participate in the Auction (“Credit

all holders of such prior liens, permitting assumption of such prior liens and claims on terms other than immediate payment of cash.

IX. Assets to be Sold Free and Clear of Liens

Subject to Bankruptcy Court approval following the Auction, the Purchaser of each Lot of Assets shall purchase the Assets free and clear of all liens, and the Purchaser of Lot 1 only also shall have assigned to it the Assigned Contracts and Leases pursuant to the Debtors' confirmed Plan of Reorganization, the Auction Motion, and Orders approving the Auction Motion, except (i) with respect to Lot 1, royalty interests described in Exhibit C to the Auction Notice to the extent the same precede the Allowed Secured Claims and attach to the real property; (ii) debts assumed by the Purchaser with the written consent of the holders of prior liens; and, (iii) in the case of a Credit Bidder, liens subject to a pending bona fide dispute. In the event that a Credit Bidder is the Purchaser and its lien priority is subject to pending bona fide dispute, the Debtors, at the direction of the Bankruptcy Court, will transfer the Lot of Assets to the appropriate Credit Bidder/Purchaser subject to liens which may be prior to or on an equal priority with the Credit Bidder/Purchaser's lien..

X. Assets to be Sold Where-Is, As-Is, Disclaimer of Warranty

The Assets will be sold where-is, as-is, and with all faults by appropriate assignments, bills of sale, and special warranty deeds. Unexpired leases and executory contracts that the Purchasers desire to acquire will be assumed and assigned to the purchaser. Any sale of the Assets shall be without representation or warranties of any kind, nature or description by the Debtors, their agents or their estates, except as expressly provided in a purchase agreement, if any, between the Debtors and a Purchaser. All of the Assets shall be transferred "as is," "where is" and "with all faults." **THE DEBTORS EXPRESSLY DISCLAIM ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND MAKE NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE NATURE, QUALITY, VALUE OR CONDITION OF ANY ASSET REGARDLESS OF ANY INFORMATION IN THE DATA ROOM, THIS AUCTION MOTION OR ANY NOTICE, OR ANY OTHER INFORMATION.**

XI. Confirmation of No Collusion

Each Cash Bidder and Credit Bidder participating at the Auction must confirm that it has not engaged in and will not engage in any collusion with respect to the bids submitted (or not submitted) at the Auction, that there are no agreements among bidders or prospective bidders to control the sale price at the Auction, and that no representative of any bidder has knowingly and fraudulently given, offered, received, or attempted to obtain any money or property, remuneration, compensation, reward, advantage, or promise thereof for acting or forbearing to act with respect to the Auction that constitute a bankruptcy crime under 18 U.S.C. section 152(6). All bidders are notified that agreements among bidders or prospective bidders to control the sale price at the Auction are unlawful, strictly prohibited, and that any acts constituting any such agreements, or any acts constituting bankruptcy crimes, including knowingly and fraudulently giving, offering, receiving, or attempting to obtain any money or property, remuneration, compensation, reward, advantage, or promise thereof for acting or

XV. Closing

The closing of the sale to a Cash Bidder as to each Lot of Assets shall occur no later than three business days after the Court confirms the Auction results. The closing of the sale to a Credit Bidder as to each Lot of Assets shall occur no later than three business days after the Court confirms the Auction results.

XVI. Non-Disclosure Agreement, Leases and Executory Contracts, Data Room

All bidders will be required to sign a non-disclosure agreement before obtaining any specific, proprietary information about the assets, most of which is contained in the Data Room defined below (the Debtors have signed a number of non-disclosure agreements with various parties who have express serious interest in purchasing the Assets). All contracts that the Debtors cure and assume pursuant to the Plan will be assignable to and assumable by the successful bidder at the Auction; the Debtors have established a fully electronic “document room” (the “Data Room”) for physical and electronic access to records by potential bidders who agree to sign a non-disclosure agreement), and also would permit physical inspections, at prescribed times, of the Debtors’ real property assets and the Processing Facility.

XIX. Creditors’ Attendance at Auction, Transcription of Auction

Any creditors of the Debtors who wish to attend the Auction may do so but must give notice of their attendance to counsel to the Debtors in writing on or prior to the Auction Participation Deadline. The proceedings at the Auction may be transcribed by a court reporter.

VII. The Sale Hearing

The hearing on the approval of the Auction and the sales of Assets determined thereby (the “Sale Hearing”) to the Successful Bidders shall be conducted by the Bankruptcy Court on **Wednesday, February 27, 2013, at 2:00 p.m. (Mountain Standard Time)**.

The Debtors will seek an Order or Orders approving the sales of the Assets to the Purchasers. Any disputes respecting the Auction may be heard by the Bankruptcy Court at that time.

XVII. Good Faith Finding

The Debtors will seek a finding by the Bankruptcy Court that each of the Purchasers entitled to such a finding has acted in good faith and is entitled to the protections of a good-faith purchaser under section 363(m) of the Bankruptcy Code.

XVIII. Further Information

Parties interested in making a bid at the Auction on one or more Lots of Assets may obtain further information from the Debtors’ officer, Soung Joon Kim, soungjoonkim@gmail.com; (801) 580-3414; from the Debtors’ counsel, : Steven J. McCardell and Kenneth L. Cannon II, Durham Jones & Pinegar, 111 E. Broadway, 9th Floor, Salt Lake City,

EXHIBIT B TO AUCTION NOTICE
ASSETS OF THE DEBTORS

D Tract

Tract II

Township 4 South, Range 20 East, SLM

Section 23: S1/2NE1/4, N1/2SE1/4
Section 24: S1/2NW1/4, N1/2SW1/4

Processing Facility

The Processing Facility owned by the Debtors is primarily based on a Modified Hot Water Extraction Process. The Processing Facility consists of an open pit mine, material crushing and sizing equipment, conditioning/agitation tanks, flotation cells for secondary froth recovery, tailings dewatering and conveying equipment, water recycle and cleaning system, froth holding and handling tanks, froth water evaporation system for dry bitumen production, froth treatment circuit, atmospheric distillation for froth treatment solvent recovery, vacuum distillation for asphalt production, product tanks for processing and storage, and a loadout for asphalt, distillates, and dry froth.

The "modified hot water process" and related information, an exclusive license agreement covering the Asphalt Ridge Designated Tar Sands Area for Advanced Solvent Technology (Publication No. US-2009-0294332-A1, PCT Publication Number WO2009/147622), equipment, goods, and machinery located on the Property.

Mine Plans, Ore Reports, and Business Records

The Debtors and their predecessors have obtained various mining plans, ore reports based on core drilling, and the like, and have also maintained business records of their operating and financial activities.

Resource Reports, Ore Data, Plant Designs and Business Records

The Debtors and their predecessors have obtained various resource reports, ore data based on core drilling, plant designs based on basic and detailed engineering activities and the like, and have also maintained business records of their operating and financial activities.

Permits and Other Operational Authorizations

CAR is the holder of certain valuable permits (including mining, air, and stormwater/groundwater discharge permits), and other governmental authorizations to conduct mining and processing operations. These will be

- e. The Industrial Special Use Lease Agreement No. 1363 between Crown Asphalt Ridge, L.L.C. and the State of Utah acting by and through the School and Institutional Trust Lands Administration (“SITLA”), pursuant to which CAR leases from SITLA real property on which certain portions of its mining facilities are constructed.
- f. The Oil, Gas and Minerals Lease dated May 1, 2008, between Uintah Basin Resources, LLC, as lessor, and CAR, as lessee pursuant to which the mining property of UBR, as owner, is leased to CAR, as operator.

Lot 2 - Stockpile of Extracted Tar Sands Ore

The Debtors have a stockpile of tar sands ore extracted during 2013 near the mine site and Processing Facility on South A Tract. The Debtors estimate that this consists of approximately 30,000 to 35,000 tons of below-average-grade tar sands.

Lot 3 – Mineral Rights to Section 32 Portion of South A Tract

Any rights that the Debtors may own in the mineral rights on property described as SW¼ of Section 32, Township 4 South, Range 21 East, SLM, which is listed as “Tract IV” above and is part of the “South A Tract.”

Lot 4 - KTIA’s Equity Interest in KD Oil, Inc.

KTIA’ 47.22% stock ownership in KD Oil, Inc., which is the lessee under a lease on property near P.R. Springs in Utah owned by the School and Institutional Trust Lands Administration.

Lot 5 – KTIA’s Equity Ownership of Utah Hydrocarbon, Inc.

KTIA’s ownership of all of the shares of Utah Hydrocarbon, Inc., which in turn owns all of the membership interests in UBR (Uintah Basin Resources, LLC).

Lot 6 – UBR’s Equity Ownership of Crown Asphalt Ridge, L.L.C.

UBR’s ownership of all of the membership interests in CAR (Crown Asphalt Ridge, L.L.C.).

Lot 7 – Miscellaneous Assets and Cause of Action.

All assets of the Debtors, other than as described in Lots 1 – 6 above, excluding causes of action arising under Chapter 5 of the Bankruptcy Code.

EXHIBIT C TO AUCTION NOTICE

ROYALTY INTERESTS

Under the oil, gas, and minerals lease between Uintah Basin Resources, LLC (formerly known as Wembco, Inc.) and Crown Asphalt Ridge (defined in the Auction Motion as the UBR-CAR Lease), an advance/minimum royalty of \$150,000 is due annually. The UBR-CAR Lease provides for production royalties, based on type of mineral extracted. All advance/minimum royalties accrued and are applied as a credit to reduced up to but not to exceed fifty percent of the production royalties that may become due and payable to the lessor (UBR). The Perpetual Seltzer Royalty Interest and the Thirty-Year Non-Participating Royalty Interests (both as defined below) receive 15% and 29%, respectively, of these royalties.

Perpetual Seltzer Royalty Interest. A royalty interest was conveyed by Wembco, Inc. to William Seltzer pursuant to a mineral royalty conveyance dated August 12, 1986 (the "Perpetual Seltzer Royalty Interest") granting a mineral royalty interest on Tracts I, II, and III (as listed in the Property list in Exhibit 1 to the Sale Notice), as follows:

A mineral royalty interest which shall be fifteen percent (15%) of any land owner's royalty under all mineral leases now or hereafter granted by said grantor The royalties shall apply to all minerals of every character, including oil, gas, asphalt, bitumen or any other hydrocarbon substance and metalliferous and precious metal minerals as well as nonmetalliferous minerals of all kinds which are or may be included in any lease and which may occur on the surface of said lands or at any depth under said lands. It is the intent of the parties hereto that the conveyance hereby made shall apply in perpetuity. All lessees of leases to which this royalty attaches are hereby instructed to pay said royalties . . . directly to the named grantee.

The mineral royalty conveyance related to the Perpetual Seltzer Royalty was recorded August 13, 1986, in Book 412, at Page 857, Uintah County Records. The legal effect of his conveyance creates what is termed a perpetual, non-participating royalty interest.

Thirty-Year Non-Participating Royalty Interests. A non-participating mineral royalty interest for a fixed term of thirty years (the "Thirty-Year Non-Participating Royalty Interests") were granted by Wembco, Inc. on August 12, 1986 to Lorin N. Pace, G. Randall Klimt, William B. Parsons, III, and Eric W. Bjorklund on Tracts I, II, and III (as listed in the Property list in Exhibit A to the Auction Motion) pursuant to a mineral royalty conveyance. The specific terms of this grant are as follows:

A mineral royalty interest for a term of thirty years (30) years which shall be twenty-nine percent (29%) of any land owner's

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Attorneys for the Debtors

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION**

In re: KOREA TECHNOLOGY INDUSTRY AMERICA, INC. <u>et al.</u> , Debtors.	Bankruptcy Case No. 11-32259 Jointly Administered Chapter 11 Honorable R. Kimball Mosier [FILED ELECTRONICALLY]
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**NOTICE OF (I) DEBTORS' REQUEST FOR AUTHORITY TO ASSUME AND ASSIGN
CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND
(II) DEBTORS' PROPOSED CURE AMOUNTS**

**TO ALL COUNTERPARTIES TO EXECUTORY CONTRACTS
AND UNEXPIRED LEASES PLEASE TAKE NOTICE THAT:**

1. Chapter 11 Petitions. On August 22, 2011 the debtors and debtors-in-possession in the above-captioned cases (the "Debtors") filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (as amended, the "Bankruptcy Code"), in the United States Bankruptcy Court for the District of Utah (the "Bankruptcy Court").

2. Auction Motion. On January 10, 2013, the Debtors filed their motion (the "Auction Motion") with the United States Bankruptcy Court for the District of Utah for the entry of: (a) an Order that (i) approves procedures for the auction of the Debtors' assets, including notice to be given (the "Auction Procedures"); (ii) approves notice of the sale or sales at auction of the Debtors' assets (the "Assets"); (iii) approves the form and manner of notice of the assumption and assignment, including cure amounts, of executor contracts and unexpired leases;

(ii) counsel for the United States Trustee: Laurie Cayton, Esq., Office of the United States Trustee, Ken Garff Bldg., 405 South Main Street, Suite 300, Salt Lake City, UT 84111, Telephone: (801) 524.3031, Facsimile: (801) 524.5628, email laurie.cayton@usdoj.gov;

(iii) counsel for certain secured parties as follows: (a) counsel for Raven Mining Company: Joseph M.R. Covey, Parr Brown Gee and Loveless, 185 South State Street, Suite 800, Salt Lake City, Utah 84111, Telephone: (801) 532.7840, Facsimile: (801) 532-7750, email jcovey@parrbrown.com; (b) counsel for Western Energy Partners, LLC and Tar Sands Holdings, LLC, Robert S. Prince, Kirton & McConkie, 1800 Eagle Gate Tower, 60 East South Temple, Salt Lake City, Utah 84111, Telephone: (801) 328-3600, Facsimile: (801) 321-4893, email rprince@kmclaw.com, and David E. Leta, Snell & Wilmer L.L.P., 15 West South Temple, Ste. 1200, Salt Lake City, UT 84101, Telephone: 801-257-1928, Facsimile: 801-257-1800, Email dleta@swlaw.com; (c) counsel for Elgin Services Company, Inc., and Tar Sands Holdings, LLC, Darwin H. Bingham, Scalley Reading Bates Hansen & Rasmussen, P.C., 15 West South Temple, Suite 600, Salt Lake City, Utah 84101, Telephone: (801) 531-7870, Facsimile: (801) 326-4669, email dbingham@scalleyreading.net; (d) counsel for Lawrence K. Deppe, d/b/a/ Process Engineered Products, Gary E. Jubber, Fabian & Clendenin, 215 South State Street, Suite 1200, Salt Lake City, Utah 84111-2323, Telephone: (801) 531-8900; Facsimile: (801) 596-2814, email gjubber@fabianlaw.com;

5. Content and Resolution of Contract Objections. In the event a Contract Objection is filed, the Contract Objection must set forth with specificity (i) the basis for the objection and (ii) the amount the party asserts as the cure amount. After receipt of the Contract Objection, the Debtors will attempt to reconcile any differences in the Cure Amount. In the event that the Debtors and the non-debtor party cannot consensually resolve the Contract Objection, and the Court does not otherwise make a determination at the hearing scheduled below, the Debtors will segregate any disputed cure amounts pending the resolution of any such disputes by this Court or mutual agreement of the parties.

6. Failure to File a Contract Objection by the Objection Deadline. If no objection is timely and properly filed and served in accordance with the above described Objection Procedures, (a) the Cure Amount set forth in the Assumption and Assignment Notice shall be controlling notwithstanding anything to the contrary in any Contract or Lease or other document and the non-debtor party to the Contract or Lease shall be forever barred from asserting any other claim arising prior to the assignment against the Debtors or Successful Bidder (as defined in the Bidding Procedures) as to such Contract or Lease if it is an Assigned Contract and (b) the Purchaser's promise to perform under the Contract or Lease shall be deemed Adequate Assurance under the Contract or Lease. To the extent the Debtors dispute any Cure Claim, such dispute shall be presented to the Court at the Sale Hearing, or such later date and time as the Debtors and the objector may agree or the Court may order, but such dispute shall not affect in any way the effectiveness of any assumption and assignment of a Contract or Lease.

CURE AMOUNT SCHEDULE

DEBTOR PARTY	LEASE	PROPERTY	COUNTERPARTY	CURE AMOUNT
Crown Asphalt Ridge, L.L.C.	Industrial Special Use Lease Agreement No. 1363	Certain real property as described in the lease in Uintah County, Utah, and on which an existing flare stack and related pipeline and equipment were constructed or are maintained	The State of Utah, acting by and through the School and Institutional Trust Lands Administration 675 East 500 South, Suite 500 Salt Lake City, Utah 84102-2818	none
Crown Asphalt Ridge, L.L.C.	Oil, Gas and Minerals Lease dated May 1, 2008	Lease of UBR mining property	Uintah Basin Resources, LLC	none
Crown Asphalt Ridge, L.L.C.	Miscellaneous operating agreements and sale agreements, if any	Tar sands or products related thereto	variable	none

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Attorneys for the Debtors

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION**

In re:

KOREA TECHNOLOGY INDUSTRY
AMERICA, INC. et al.,

Debtors.

Bankruptcy Case No. 11-32259

Jointly Administered

Chapter 11

Honorable R. Kimball Mosier

[FILED ELECTRONICALLY]

**ORDER (A) APPROVING (I) AUCTION PROCEDURES AND NOTICE OF
THE AUCTION SALES OF ALL OF DEBTORS' ASSETS AND THE ASSUMPTION
AND ASSIGNMENT OF CONTRACTS AND LEASES TO THE WINNING
BIDDERS; (II) FIXING THE DATE AND TIME OF THE AUCTION;
AND (B) SCHEDULING HEARING ON CONFIRMATION OF THE AUCTION
AND APPROVAL OF THE SALES OF ASSETS AND ASSUMPTION AND
ASSIGNMENT OF CONTRACTS AND LEASES TO THE WINNING BIDDERS**

The motion (the "Auction Motion")¹ of the debtors and debtors-in-possession in the
above-captioned case (the "Debtors"), pursuant to section 1123(a)(5)(D) of title 11, United States

¹ Capitalized terms used herein but not otherwise defined shall have the meanings ascribed in the
Auction Motion.

("JAM") (together, Western, Elgin, Raven, and JAM will be referred to as the "Objecting Parties"). Appearances of counsel were entered as noted on the record of the hearing.

At the Auction Procedures Hearing, the Debtors and Western, Elgin, and Raven announced on the record that certain of the Auction Procedures to which objections had been raised were resolved with changes announced on the record. The Court conducted further hearings on February 1, 2013, at 3:00 p.m., and February 4, 2013, at 1:00 p.m. At the final hearing, the Debtors requested that the Court approve notice, so that, if the Mailing Date is no later than Tuesday, February 5, 2013, notice of the date of the Auction, the Objection Deadline, and the Sale Hearing (all as defined below) is sufficient. The Court, having reviewed and considered the Auction Motion, the Objections, evidence presented, arguments of counsel; having found that notice of the Auction Motion for the Auction Procedures Hearing is sufficient; having found that all of the Objections are resolved or withdrawn except for the Objection to minimum bids on assets referred to as "Lots 2 through 6," which is sustained; and it appearing to the Court that based upon the representations made at the Auction Procedures Motion and contained in the Motion, the issuance of this Order is in the best interest of the Debtors, their estates and creditors, and after due deliberation and good and sufficient cause appearing therefor, hereby

ORDERS:

1. Except as expressly provided herein, nothing herein shall be construed as a adjudication of the claims; claim amounts; lien priorities; or rights, including the reservation of contribution rights, surcharge rights, and other rights; of any party in interest in these Chapter 11 cases.

8. On February 27, 2013, at 2:00 p.m. (Mountain Standard Time), the Court will conduct the Sale Hearing to confirm the outcome of the Auction, resolve any disputes regarding the Auction, approve the sales of Assets and the assumption and assignment of executory contracts and unexpired leases (as appropriate) to the winning bidders of the Lots of Assets.

9. The notice of the Auction and of the Sale Hearing (the "Auction Notice") in substantially the form attached hereto as Exhibit 2 is sufficient to provide effective notice to all interested parties of the Auction Procedures, and the Auction, the assignment and assumption procedures, pursuant to Bankruptcy Rules 2002(a)(2), 6004 and 6006, and are hereby approved.

10. Within one (1) business day after entry of this Order (the "Mailing Date"), the Debtors will send notice of this Order, the Auction Procedures, the time and place of the Auction, and the Sale Hearing to (i) all known creditors of the Debtors, including all known persons asserting a lien, claim, encumbrance, or other interest in, to or against any of the Debtors' assets; (ii) all third parties from whom the Debtors received solicitations of interest, or offers to purchase some or all of the Assets, in the past two years; (iii) Rutter and Wilbanks Corporation; (iv) any other potential bidders to whom the Debtors choose to give notice, or who the Debtors know or suspect may have an interest in the Assets; (v) the United States Trustee; (vi) all non-debtor parties to relevant contracts or leases (executory or other); (vii) all taxing authorities or recording offices which have a reasonably known interest in the relief requested; and (viii) all parties who have requested service pursuant to Bankruptcy Rule 2002 (collectively, the "Service Parties").

11. The Assumption and Assignment Notice, in substantially the same form as attached hereto as Exhibit 3, is sufficient to provide effective notice to all interested parties of the

(iii) counsel for certain secured parties as follows: (a) counsel for Raven Mining Company: Joseph M.R. Covey, Parr Brown Gee and Loveless, 185 South State Street, Suite 800, Salt Lake City, Utah 84111, Telephone: (801) 532.7840, Facsimile: (801) 532-7750, email jcovey@parrbrown.com; (b) counsel for Western Energy Partners, LLC and Tar Sands Holdings, LLC, Robert S. Prince, Kirton & McConkie, 1800 Eagle Gate Tower, 60 East South Temple, Salt Lake City, Utah 84111, Telephone: (801) 328-3600, Facsimile: (801) 321-4893, email rprince@kmclaw.com and David E. Leta, Snell & Wilmer L.L.P., 15 West South Temple, Ste. 1200, Salt Lake City, UT 84101; Telephone: 801-257-1928; Facsimile: 801-257-1800, email dleta@swlaw.com; (c) counsel for Elgin Services Company, Inc., and Tar Sands Holdings, LLC, Darwin H. Bingham, Scalley Reading Bates Hansen & Rasmussen, P.C., 15 West South Temple, Suite 600, Salt Lake City, Utah 84101, Telephone: (801) 531-7870, Facsimile: (801) 326-4669, email dbingham@scalleyreading.net; (d) counsel for Lawrence K. Deppe, d/b/a/ Process Engineered Products, Gary E. Jubber, Fabian & Clendenin, 215 South State Street, Suite 1200, Salt Lake City, Utah 84111-2323, Telephone: (801) 531-8900; Facsimile: (801) 596-2814, email gjubber@fabianlaw.com.

The foregoing requirements are collectively referred to herein as the “General Objection Procedures.” Only those objections made in compliance with the General Objection Procedures will be considered by the Court at the Sale Hearing. The failure of any objecting person or entity to file its objections by the Objection Deadline and in accordance with the General Objection Procedures will be a bar to the assertion, at the Sale Hearing or thereafter, of any objection (including the sale of Assets and assumption and assignment of Leases and Contracts free and clear of Liens).

14. All objections to the assumption and assignment of any lease or contract, including without limitation any objection to the Debtors’ proposed cure amount or the provision of adequate assurance of future performance under any lease or contract pursuant to section 365 of the Bankruptcy Code (“Adequate Assurance”) must: (a) comply with the General Objection Procedures; (b) identify the Lease or Contract to which the objector is party; (c) describe with particularity any cure the claimant contends is required under section 365 of the Bankruptcy Code (the “Cure Claim”) and identify the basis(es) of the alleged Cure Claim under the Contract

19. Notice of the date of the Auction, the Objection Deadline, and the Sale Hearing is sufficient if the Mailing Date is no later than Tuesday, February 5, 2013.

******* END OF DOCUMENT *******

[The form documents attached as exhibits to the original Order as entered are not attached because they are otherwise included in this mailing.]